

STATE OF MICHIGAN  
STATE BOARD OF EDUCATION

STATEMENT REGARDING BUDGET SHORTFALL

Mrs. Straus moved, seconded by Mrs. McGuire, that the State Board of Education adopt the following statement regarding Michigan's budget shortfall:

Michigan faces a serious budget challenge. Revenues earmarked for the state's School Aid Fund (SAF) are \$350 million below what is needed to fund the School Aid Budget, already passed by the Legislature for Fiscal Year 2003-04.

The State Board of Education believes that it is more important than ever to focus Michigan's limited resources on those budget areas and programs that most benefit society. What better focus than the future of our state – our children!

We encourage the Governor and the Legislature, in reviewing the state budget crisis caused not only by economic conditions but also by the series of personal income, property, and business tax reductions enacted over the years, to examine the revenue side of the budget as well as the spending side.

The State Board of Education recognizes the need to cut expenditures. But we also know that we must maintain the extensive collaborative efforts now in place to improve the academic achievement in High Priority Schools.

Therefore, the State Board of Education reiterates the position it adopted in August 2001 to pause the income tax reduction scheduled for January 2004.

It also behooves us to review the recent study by Michigan State University professors David Plank and David Arsen that analyzed the impact of Proposal A and their recommendations to consider additional revenues; and urge the Governor and Legislature to consider the recommendations in the *Proposal A to A+ Report* issued by the State Superintendent, as directed by the Board of Education and available on the Department's website.

Ayes: Bauer, Curtin, McGuire, Moyer, Straus, Turner  
Nay: Weiser  
Absent: Austin

The motion carried.

Adopted November 20, 2003